UNITED NATIONS

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FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

Audit reports

Addendum

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UNITED NATIONS DEVELOPMENT PROGRAMME
Summary of the Audited/Unaudited Status of Funds Submitted by the Executing Agencies
as at 31 December 1992 (expressed in US Dollars)

Operating Fund	UNHCS	ECA	ECE	ECLAC	ESCAP	ESCWA	UNCTAD	UNCHS	ILO	FAO
Balance at 1 January 1992	(15,053,108)	(957,439)	143,789	38,505	(4,345,303)	150,328	145,603	(8,684,536)	(9,490,170)	(14,726,427)
Add: Cash drawings from UNDP	55,151,847	1,400,000	180,000	450,000	2,630,669		6,738,685	19,436,930	49,210,000	88,668,474
IOVs	88,121,151	6,382,230	12,224	1,237,272	4,222,091	237,905	5,393,044	18,550,060	29,929,522	95,117,818
Other charges (net)	(46,871,898)	14,001	5,365	(593,484)	384,307	624	34,586	(750,411)	(8,532,739)	(5,222,748)
Miscellaneous income and exchange adjustments (net)	301,357	3,824	(1,199)		22,158	2,587	32,686	13,667	(590,068)	(290,092)
Miscellaneous items refunded to (by) UNDP (net)	211,471		23,424	6,401			(216,838)	1,581,234		34,587
Expenses incurred on completed projects										
	81,760,022	6,842,616	343,623	1,137,684	2,913,922	391,454	12,127,875	23,056,984	63,526,545	141,609,822
Deduct: Expenditure during 1992										
For Projects disbursements unliq. obligations	69,284,536	5,807,556	47,279	775,070	3,021,473	113,685	7,754,954	19,853,511	63,063,201	117,214,873
For programme support costs	18,143,927	5,133,650	47,039	145,925	1,591,514	61,037	2,141,144	5,764,022	4,870,536	11,710,584
AOS	10,670,085	1,422,356	9,216	116,729	599,688	22,714	1,313,733	3,307,215	8,624,687	16,548,852
Miscellaneous items	190,532									68,973
Additional audit services										
	99,288,082	12,363,562	103,534	1,040,724	5,212,675	197,436	11,209,831	28,924,748	76,578,424	145,643,282
	(17,529,060)	(5,520,946)	240,089	96,960	(2,298,753)	194,018	918,144	(5,867,764)	(13,051,879)	(3,933,460)
Add: Adjustment to prior year's										
Subtract: expenditure		269,274								(1,598,935)
Adjustment to prior year's programme support costs		35,005								(198,162)
	0	304,279	0	0	0	0	0	0	0	(1,795,097)
Balance as at 31 December 1992	(17,529,060)	(5,216,667)	240,089	96,960	(2,298,753)	194,018	918,144	(5,867,764)	(13,051,879)	(5,638,757)
Represented by: Cash at bank, on hand and in transit	7,051,624	800,000	55,500	143,701	1,112,406	47,952	796,303	112,150	(8,051,185)	413,085
Investments	–	–	–	–		–	–	–	–	–
Due from other Funds	–	693,443	–	173,052		–	–	–		–
Accounts Receivable	4,856,843		396,164		180,753	367,148	3,046,365	4,265,316	3,495,823	22,510,825
Deferred Charges	–	1,653,143	–	–		–	–	–	–	–
	11,908,467	3,346,586	451,664	316,753	1,293,159	415,100	3,842,668	4,377,466	(4,555,262)	22,923,910
Deduct: Due to other funds	–	–	–	–		–	–	–	–	–
Accounts Payable	10,293,600	3,429,603	164,536	73,866	2,000,398	160,045	783,380	4,481,229	3,626,081	16,852,083
1992 Unliquidated Obligations	19,143,927	5,133,650	47,039	145,925	1,591,514	61,037	2,141,144	5,764,022	4,870,536	11,710,584
	29,437,527	8,563,253	211,575	219,793	3,591,912	221,082	2,924,524	10,245,250	8,496,617	28,562,667
Balance as above a/	(17,529,060)	(5,216,667)	240,089	96,960	(2,298,753)	194,018	918,144	(5,867,784)	(13,051,879)	(5,638,757)

Explanatory Note:

The amounts credited to the above Operating Fund Statements are recorded on a cash basis, i.e. cash actually remitted or payments already made by UNDP on behalf of the executing agencies. Expenditure, however, is recorded on an accrual basis, i.e. includes unliquidated obligations for which the executing agencies will receive the necessary funds from UNDP at or near the time of disbursement. At any reporting date, therefore, the expenditure incurred normally exceeds the funds received and for this reason the balance of funds is normally negative.

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UNITED NATIONS DEVELOPMENT PROGRAMME
Summary of the Audited/Unaudited Status of Funds Submitted by the Executing Agencies
as at 31 December 1992 (expressed in US Dollars)

Operating Fund	UNESCO	ICAO*	World Bank*	IFC*	IMF*	WHO	UPU*	ITU*	WMO	IAEA	WIPO*
Balance at 1 January 1992	(2,219,183)	(3,769,848)	(9,968,608)	6,208,914	(614,963)	(1,477,898)	(214,766)	(757,178)	(2,140,777)	87,752	(529,194)
Add: Cash drawings from UNDP	13,740,000	24,316,172	71,175,000	3,500,000	6,282,000	19,000,000	810,000	7,309,057	5,244,671	3,230,700	610,843
IOVs	25,058,582	11,583,126	4,916,189	(6,666)	895,124	5,020,067	2,178,129	9,657,391	10,817,352	1,502,287	1,179,760
Other charges (net)	(11,500,302)	(1,726,370)	721,940	51,967	(104,201)	(1,719,839)	(31,715)	(1,868,827)	188,151	(74,264)	(142,659)
Miscellaneous income and exchange adjustments (net)	(86,119)	(269,071)	229,512	438,210		(164,481)	(19,035)	(6,523)	(81,230)	(32,505)	3,906
Miscellaneous items refunded to (by) UNDP (net)	(3,414)	(61,690)	2,239	–		125,266	(2,677)	3,513	20,751	(18,610)	9,854
Expenses incurred on completed projects											
	24,977,564	30,092,321	67,080,272	10,190,425	6,457,960	20,783,117	2,719,936	14,339,433	14,016,918	4,707,449	1,132,510
Deduct: Expenditure during 1992											
For Projects disbursements	15,564,267	25,920,010	57,601,798	8,649,863	6,185,038	18,572,088	1,855,206	12,461,726	10,303,085	2,897,022	733,085
unliq. obligations	6,296,759	3,529,829	7,106,238	640,799		2,390,583	395,205	1,334,355	1,712,883	658,697	438,067
For programme support costs	2,686,790	3,315,869	6,389,158	1,008,982	802,674	2,302,384	495,092	2,555,842	2,309,986	780,176	253,318
AOS			125,384	3,790					59,018		2,167
Miscellaneous items	–	(30,471)	25,000	–	–	–	–	–	–	–	–
Additional audit services	–	–	–	–	–	–	–	–	–	–	–
	24,549,816	32,735,237	71,247,578	10,303,434	6,987,710	23,265,055	2,745,503	16,351,923	14,384,972	4,335,895	1,426,637
	427,748	(2,642,916)	(6,167,306)	(113,009)	(529,750)	(2,481,938)	(25,567)	(2,012,490)	(368,054)	371,554	(294,127)
Add: Adjustment to prior year's							–		–	–	
Subtract: expenditure	–	–	13,431	–	–	–	–	–	–	–	–
Adjustment to prior year's programme support costs	–	–	1,477	–	–	–	–	–	–	–	–
	0	0	14,908	0	0	0	0	0	0	0	0
Balance as at 31 December 1992	427,748	(2,642,916)	(6,152,398)	(113,009)	(529,750)	(2,481,938)	(25,567)	(2,012,490)	(368,054)	371,554	(294,127)
Represented by: Cash at bank, on hand and in transit	2,311,285	637,376	2,279,632	–			539,766	983,547	547,361	664,360	39,636
Investments											
Due from other Funds		1,887,900			270,395						
Accounts Receivable	6,727,062	1,544,557	5,100,065	2,773,576			261,552	548,874	1,577,711	612,980	188,097
Deferred charges											
	9,038,347	4,069,835	7,379,697	2,773,576	270,395	0	801,318	1,140,421	2,125,072	1,177,340	217,735
Deduct: Due to other funds		13,403									
Accounts Payable	2,313,840	3,169,519	4,425,857	2,245,766	(259,355)	179,554	431,680	1,818,558	780,243	147,089	73,795
1992 Unliquidated Obligations	6,296,759	3,529,829	7,106,238	640,799		2,302,384	395,205	1,334,355	1,712,883	658,697	438,067
	8,610,599	6,712,751	11,532,095	2,886,565	(259,355)	2,481,938	826,885	3,152,911	2,493,126	805,786	511,862
Balance as above a/	427,748	(2,642,916)	(6,152,398)	(113,009)	529,750	(2,481,938)	(25,567)	(2,012,490)	(368,054)	371,554	(294,127)

Explanatory Note:

The amounts credited to the above Operating Fund Statements are recorded on a cash basis, i.e. cash actually remitted or payments already made by UNDP on behalf of the executing agencies. Expenditure, however, is recorded on an accrual basis, i.e. includes unliquidated obligations for which the executing agencies will receive the necessary funds from UNDP at or near the time of disbursement. At any reporting date, therefore, the expenditure incurred normally exceeds the funds received and for this reason the balance of funds is normally negative.

* Represents Audited Balances at 31 December 1992

UNITED NATIONS DEVELOPMENT PROGRAMME
Summary of the Audited/Unaudited Status of Funds Submitted by the Executing Agencies
as at 31 December 1992 (expressed in US Dollars)

Operating Fund	UNIDO	IAEA*	WTO*	ADB*	AsDB*	ITC	AFESD	UNITAR	SUBTOTAL	GOVERNMENTS	UNDP	TOTAL
Balance at 1 January 1992	(18,601,587)	1,905,327	(340,822)	45,826	(3,767,696)	(1,882,969)	(936,676)	14,455	(80,748,647)	(16,799,147)	(35,385,452)	(140,913,246)
Add: Cash drawings from UNDP	47,395,781	(4,595,903)	2,730,000	432,000	14,221,273	7,484,680	505,264	557,857	416,793,589	67,348,858	241,600,052	725,742,499
IOVs	31,552,803	3,337,581	1,081,543	79,550	477,793	5,173,368	40,566	263,644	383,984,536			383,984,536
Other charges (net)	(6,483,173)	343,524	(409,106)	(66,170)	(1,853,303)	498,467	127,923	40,952	(83,483,380)			(83,483,380)
Miscellaneous income and exchange adjustments (net)	(232,239)		18,275	(9,299)	(5,054)	48,600			0 (662,113)		80,855	0 (581,258)
Miscellaneous items refunded to (by) UNDP (net)	432,710	1,084			7,103	(2,286)			0 2,095,142		(138,721)	0 1,958,421
Expenses incurred on completed projects									0			0
	54,064,295	991,633	3,050,990	459,918	9,280,116	11,209,860	(162,923)	877,008	909,979,129	50,549,711	206,178,734	966,707,574
Deduct: Expenditure during 1992												
For Projects disbursements	39,837,220	310,490	2,431,791	273,033	6,802,908	7,344,874	1,155,970		505,955,613	238,996,325	162,695,014	906,906,952
unliq. obligations	18,540,059	205,867	63,203	0	2,573,960	1,347,036			97,842,718		31,774,426	129,617,144
For programme support costs	7,381,564	131,008	548,099	35,494	1,102,993	1,834,475			78,845,579		43,493,720	120,139,299
AOS	20,850											
Miscellaneous items	9,087,074	–	–	–	–	–	–		8,881,803	–	–	8,881,803
Additional audit services	–	–	–	–	13,000				13,000			13,000
	71,446,767	647,765	3,043,093	308,527	10,382,862	10,526,385	1,155,970	0	685,938,513	238,996,325	237,963,160	1,162,358,998
	(17,382,472)	343,868	6,997	151,391	(1,102,746)	683,475	(1,318,893)	877,008	(75,959,384)	(188,018,614)	(31,774,426)	(295,652,424)
Add/ Adjustment to prior year's												
Subtract expenditure									(1,226,230)			(1,226,230)
Adjustment to prior year's programme support costs			681						(156,999)			(156,999)
	0	0	681	0	0	0	0	0	(1,395,229)	0	0	(1,395,229)
Balance as at 31 December 1992	(17,382,472)	343,868	7,678	151,391	(1,102,746)	683,475	(1,318,893)	877,008	(77,244,613)	(188,018,614)	(31,774,426)	(297,037,653)
Represented by: Cash at bank, on hand and in transit	1,078,383	863,480	73,715	184,963	625,024	513,810			13,324,678			13,324,678
Investments									0			0
Due from other Funds								877,008	4,101,798			4,101,798
Accounts Receivable	24,172,783	74,829	26,181		1,712,941	1,801,934			98,040,479			98,040,479
Miscellaneous exchange differences									1,853,143			1,853,143
	25,251,166	938,309	99,896	184,963	2,338,765	2,315,744	0	877,008	105,120,098	0	0	105,120,098
Deduct: Due to other funds	–	–	–	–	–	–	–		13,403	–	–	13,403
Accounts Payable	24,091,505	388,774	29,015	33,572	867,551	85,233	1,318,893		84,005,929	188,018,614		272,024,543
1992 Unliquidated Obligations	18,542,133	205,867	63,203	–	2,573,960	1,347,036			0 97,756,593		31,774,426	0 129,531,019
	42,633,638	594,441	92,218	33,572	3,441,511	1,432,269	1,318,893	0	181,775,925	188,018,614	31,774,426	401,568,965
Balance as above a/	(17,382,472)	343,868	7,678	151,391	(1,102,746)	683,475	(1,318,893)	877,008	(76,655,827)	(188,018,614)	(31,774,426)	(296,448,867)

Explanatory Note:

The amounts credited to the above Operating Fund Statements are recorded on a cash basis, i.e. cash actually remitted or payments already made by UNDP on behalf of the executing agencies. Expenditure, however, is recorded on an accrual basis, i.e. includes unliquidated obligations for which the executing agencies will receive the necessary funds from UNDP at or near the time of disbursement. At any reporting date, therefore, the expenditure incurred normally exceeds the funds received and for this reason the balance of funds is normally negative.

* Represents Audited Balances at 31 December 1992

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AFRICAN DEVELOPMENT BANK

THE STATUS OF FUNDS OF THE UNITED NATIONS DEVELOPMENT PROGRAMME (U.N.D.P) FOR THE YEAR ENDED 31 DECEMBER 1992

Deloitte Touche Tohmatsu International

SARL au capital de 5.000.000 F CFA - Compte Contribuable 0003413 W - R. C. ABIDJAN 44481
Bureaux à Benin City, Enugu, Jos, Kaduna, Kano, Lagos, Maiduguri, Owerri, Port Harcourt, Warri (Nigeria) Douala (Cameroon), Abidjan (Cote d'Ivoire), Madeira (Switzerland).

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REPORT OF THE EXTERNAL AUDITORS OF THE AFRICAN DEVELOPMENT BANK ON THE PROJECT ACCOUNTS OF THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP) FOR THE YEAR ENDED 31 DECEMBER 1992

In accordance with Article XI.3 of the Agreement dated 4 March, 1977 between the United Nations Development Programme and the African Development Bank, we have audited the accompanying financial statements. The statements are in agreement with the books of accounts of the African Development Bank which record the financial aspects of the projects.

Our audit was made in accordance with internationally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the projects as of 31 December 1992 and the results of their operations for the year then ended and, in conformity with the terms of the agreement referred to above as well as the agreements which govern the individual projects.

Akintola Williams & Co
AKINTOLA WILLIAMS & CO.

Abidjan, 09 JUNE 1993

UNITED NATIONS DEVELOPMENT PROGRAMME

AFRICAN DEVELOPMENT BANK

STATUS OF FUNDS AS AT 31 DECEMBER 1992 (IN US$)

OPERATING FUND		US$	US$
Balance at 1 January 1992			45826
Add:	Cash drawings from UNDP	432000	
	IOVs	79550	
	Other Charges (net)	-88170	
	Miscellaneous income and exchange adjustments (net)	-9288	414092
			459918
Less:	Expenditure during 1992 For Projects		
	Disbursements	-273033	
	For programme support costs	-35494	-308527
Balance at 31 December 1992			151391
Represented by:			
Cash at banks			184963
Less:	Accounts payable		-33572
			151391

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INDEPENDENT AUDITORS' REPORT

Asian Development Bank - Executing Agency
for the United Nations Development Programme:

We have audited the Statements of Status of Funds as at 31 December 1992 and 1991 (Statement I) relating to funds for projects as to which the Bank is the Executing Agency for the United Nations Development Programme. These financial statements are the responsibility of the Executing Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Notes A and B to Statements of Status of Funds, the financial statements were prepared in accordance with the format and accounting practices prescribed by United Nations Development Programme ("UNDP"), which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, such financial statements present fairly, in all material respects, the status as at 31 December 1992 and 1991 of funds for projects as to which the Bank is the Executing Agency for the United Nations Development Programme and the receipts and expenditures of such funds for the years then ended on the basis of accounting described in Notes A and B.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The following supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Supplemental Schedules:

Expenditures by Source of Funds for the year ended 31 December 1992 (Report No. 2A)

Expenditures by Country for the year ended 31 December 1992 (Report No. 3)

Expenditures by Component for the year ended 31 December 1992 (Report No. 4)

These schedules are the responsibility of the Executing Agency's management.

Such schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

24 February 1993

SUPPLEMENTARY INFORMATION PROVIDED BY
DELOITTE AND TOUCHE, 24 FEBRUARY 1993, ON THE AUDIT OF
THE ACCOUNTS OF THE ASIAN DEVELOPMENT BANK

SECTION I - SUMMARY OF OBSERVATIONS AND CONCLUSIONS

The following is a summary of our observations and conclusions resulting from the work performed as set forth in Sections II, III, and IV.

- UNDP-financed projects assigned to the Asian Development Bank as Executing Agency are being administered by the Bank on a regular and timely basis.
- The Bank appears to be taking appropriate follow-up actions, to the extent practicable, on problems identified in consultants' progress reports.
- The Bank is complying with its established procurement procedures pertaining to the engagement of consultants.
- No material weaknesses were identified in the internal control structure.

SECTION II - PRINCIPAL AUDIT PROCEDURES

Our audits of the financial statements and the supplemental schedules referred to previously were conducted in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. Our consideration of the internal control structure is separately described in Section IV. Other principal audit procedures which we believe would be of interest to the Governing Council of the UNDP are briefly described as follows:

Cash at Banks - Obtained confirmations of bank balances as of 31 December 1992 and tested related bank reconciliations.

Advances - Requested positive confirmation of recorded amounts for a judgmental selection of accounts as of 30 September 1992. Differences disclosed in confirmation replies were satisfactorily resolved.

Accounts Payable and Unliquidated Obligations - Requested independent confirmations from vendors selected from cash-disbursements records. Differences disclosed in confirmation replies were satisfactorily resolved and appropriate supporting documentation was examined for the accounts for which no confirmation reply was received.

Reviewed subsequent disbursement records and unpaid vendors invoices for possible unrecorded liabilities at 31 December 1992. Only immaterial exceptions were noted and no adjustments were made by the Executing Agency.

Cash Drawings, IOVs and Other Charges - Requested positive confirmation of 1992 amounts directly from UNDP. Minor differences were satisfactorily reconciled.

Project Expenditures - Selected individual disbursements on a test basis and examined supporting documents for propriety of project distribution and for approval and other independent indications of validity.

Programs Support Costs - Recomputed total costs for 1992 which were based on 13% of project expenditures in accordance with correspondence between the Bank and UNDP.

SECTION III - ADDITIONAL PROCEDURES

In connection with our audits of the UNDP financial statements and the supplemental schedules, we performed the following additional procedures as requested by you.

Contracts with Consultants - We selected all of the only three projects to which expenditures were substantially started in 1992. For each of the selected projects we ascertained, by reference to supporting contract documentation, that the Bank had complied with its procurement procedures pertaining to the engagement of technical assistance consulting firms' consultants as provided for in its published guidelines approved by the Board of Directors.

Review of Selected Projects - We selected four of the thirty-one UNDP-financed projects being administered by the Bank as of 31 December 1992 and performed the following procedures for each of the selected projects:

- Compared project expenditures accumulated through 30 September 1992, in total and (where applicable) by component, to the related budget.

- Reviewed the project's progress to date in relation to the anticipated progress outlined in the underlying project documents.

- Read progress reports issued during the year by the consultant in charge.

In performing the foregoing procedures, nothing came to our attention that caused us to believe that the projects were not being monitored, or that progress reports were not being submitted, on a timely basis. Furthermore, the Bank appears to be taking appropriate follow-up actions, to the extent practicable, with respect to problems identified in the progress reports.

SECTION IV - INTERNAL CONTROL STRUCTURE

In planning and performing our audits, we considered the internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under generally accepted auditing standards.

The management of the Bank is responsible for establishing and maintaining the internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures.

The objectives of the internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles or other comprehensive basis of accounting.

Because of inherent limitations in any internal control structure, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

STATEMENT I
UNITED NATIONS DEVELOPMENT PROGRAMME
Asian Development Bank
(Executing Agency)

Status of Funds as at 31 December 1992 and 1991
(Expressed in US Dollars)

Operating Fund		1992	1991
Balance at 1 January		($ 1,102,746.04)	($ 3,767,695.57)
Add: Cash drawings from UNDP		$ 8,450,000.00	$14,221,273.29
IOVs		153,379.65	477,792.81
Other charges/credits (net)		(528,599.88)	(1,653,303.30)
Miscellaneous income and exchange adjustments (net)		13,612.47	(5,053.81)
Miscellaneous items refunded to UNDP (net)		46,797.95	7,102.49
		8,135,190.19	13,047,811.48
		7,032,444.15	9,280,115.91
Less: Expenditures			
For Projects:			
Disbursements	(Report No. 2A)	5,581,286.58	6,602,908.96
Unliquidated obligations	(Report No. 2A)	1,873,312.49	2,573,960.02
For programme support costs	(Report No. 2A)	969,097.88	1,192,992.97
		8,423,696.95	10,369,861.95
Add Subtract:			
PSC for additional audit services		14,000.00	13,000.00
		8,437,696.95	10,382,861.95
Balance at 31 December		($ 1,405,252.80)	($ 1,102,746.04)
Represented by:			
Cash at banks, on hand and in transit		$ 293,838.77	$ 625,824.42
Accounts receivable (Note C)		994,185.26	1,712,940.45
		1,288,024.03	2,338,764.87
Less: Accounts Payable (Note D)		819,964.34	867,550.89
Unliquidated Obligations (Report No. 2A)		1,873,312.49	2,573,960.02
		2,693,276.83	3,441,510.91
		($ 1,405,252.80)	($ 1,102,746.04)

See notes to financial statements.

CERTIFIED CORRECT:

LOUIS WONG
Assistant Controller

APPROVED:

IVAN L. ZIMONYI
Controller

/...

26 March 1993

The External Auditor
United Nations Development Programme
One United Nations Place
New York, New York, United States
10017

Gentlemen:

I am the independent auditor of the International Atomic Energy Agency (the Agency), and in my capacity as auditor I have reported under the date of 26 March 1993 on the Agency's financial statements as at and for the year ended 31 December 1992. I enclose one copy of the audited financial statements of the Agency together with my report thereon.

I conducted my audit in accordance with generally accepted auditing standards, conforming with International Auditing Guidelines and with the common auditing standards adopted by the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

I did not perform audit tests for the purpose of expressing an opinion on individual balances or accounts or summaries of related transactions such as those enumerated below, and accordingly, I express no opinion on any such balances, accounts or summaries.

The procedures that were performed included the addition of the schedules, agreement of the amounts to the trial balance of the Agency and to the final audited financial statements, and reviewing the 1992 Year End Closure of Accounts of the UNDP and UNDP Administered Trust Funds instructions to identify discrepancies in the accounting policies between the IAEA and the UNDP.

In this context, and in accordance with your request, I advise that to the best of my knowledge the following statements and schedules have been extracted from the underlying accounting records of the Agency as at 31 December 1992, and I have no reason to believe they have not been prepared in accordance with UNDP Interoffice Memorandum on the year end closure of UNDP and UNDP Administered Trust Funds except for unliquidated obligations as noted in the last paragraph:

(1) United Nations Development Programme statements, International Atomic Energy Agency

Statement 1, Status of Funds as at 31 December 1992
Report No. 2A, Expenditure by source of funds for the year ended 31 December 1992
Report No. 3, Expenditure by Country for the year ended 31 December 1992
Report No. 4, Expenditure by Component for the year ended 31 December 1992

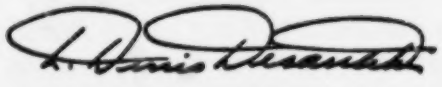
(2) United Nations Financing System for Science and Technology for Development, International Atomic Energy Agency

Statement I, Status of Funds as at 31 December 1992
Statement II, Status of Funds as at 31 December 1992
Report No. 15A, Project expenditure for the year ended 31 December 1992
Report No.-16, Expenditure by Component for the year ended 31 December 1992

I understand that you will rely upon my work and my report relating to the overall financial statements of the Agency in forming your opinion on the accounts of UNDP as at and for the year ended 31 December 1992 which will include the UNDP and UNFSSTD Statements referred to above. I know of no reason why the enclosed financial statements cannot be used for this purpose and I know of no information not fully disclosed in the financial statements which should be considered by you in relation to such purpose.

Please be advised that the Agency's treatment of unliquidated obligations may not be the same as those used by the UNDP. We advise you to read the description in the notes to the financial statements and our audit report to clarify these policies.

Yours sincerely



L. Denis Desautels, FCA
(Auditor General of Canada)
External Auditor

AUDIT OPINION

To the General Conference of the
International Atomic Energy Agency

I have audited the appended financial statements, numbered I.A to V.2, properly identified, of the International Atomic Energy Agency for the year ended 31 December 1992. These financial statements are the responsibility of the Agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, conforming with international auditing guidelines, and with the common auditing standards adopted by the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion these financial statements are in accord with the books and records of the Agency and present fairly, in all material respects, the financial position of the Agency as at 31 December 1992 and the results of its operations for the year then ended in accordance with the Agency's accounting principles set out in Note 2 to the financial statements.

Further, in my opinion the transactions of the Agency that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the Financial Regulations and Legislative Authority of the Agency.

Additional information and comments on the financial statements and this opinion are included in the observations in my long form report.

L. Denis Desautels, FCA
Auditor General of Canada
External Auditor

Ottawa, Canada
26 March 1993

STATEMENT I

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA)

Status of Funds as at 31 December 1992
(In US dollars)

OPERATING FUND

Balance as at 1 January 1992		1 905 327	1 905 327
Add:	Cash drawings from UNDP	(4 595 903)	
	IOVs	3 337 591	
	Other charges/credits (net)	343 524	(914 788)
	Miscellaneous items refunded to UNDP (net) (Report No.8)	1 094	1 094
			991 633
Less:	Expenditure during 1992		
	For projects		
	Disbursements (Report No. 2A)	310 490	
	Unliquidated Obligations (Report No. 2A)	205 667	516 157
	For programme support costs (Report No.5B)		131 608
			647 765
Balance at 31 December 1992			**343 868**

Represented by:

Cash at banks		863 480
Accounts receivable (Report No.9)		74 829
		938 309
Less: Accounts payable (Report No.10)		388 774
1992 Unliquidated obligations (Report No.2A)		205 667
		594 441
APPROVED		**343 868**

ANDRE R. GUE
Director, Division of Budget and Finance

HANS BLIX
Director General

/...

INTERNATIONAL CIVIL AVIATION ORGANIZATION

UNITED NATIONS DEVELOPMENT PROGRAMME

NOTES TO THE STATEMENT OF THE STATUS OF FUNDS

(STATEMENT IX)

31 DECEMBER 1992

1. NATURE OF ACTIVITIES

1.1 Under the United Nations Development Programme (UNDP), the execution or implementation of projects related to civil aviation, financed by UNDP, may be delegated to the International Civil Aviation Organization (ICAO).

2. SIGNIFICANT ACCOUNTING POLICIES

a) **Method of Accounting**

The Statement of the Status of Funds has been prepared in accordance with the format and directives prescribed by UNDP. The accounts of ICAO are recorded in United States dollars. Transactions and account balances in other currencies are converted into United States dollars at the United Nations operational rates of exchange.

b) **Expenditure for Projects**

Expenditure includes disbursements and unliquidated obligations for which funds have been provided in approved project budgets in the current year. Expenditure is accounted for as follows:

- for experts: on the basis of services rendered to the end of the year;
- for equipment: on the basis of purchase orders or signed contractual agreements issued to the end of the year;
- for training: on the basis of the costs incurred for fellowships to the end of the year;
- for sub-contracts: on the basis of the payment schedule included in the contract with the sub-contractor;
- for miscellaneous: on the basis of issuance of authorization to pay for miscellaneous goods or services delivered or for which firm orders have been placed for delivery in the current year.

c) **Programme Support Costs**

Programme support costs are calculated on project expenditure on a basis determined by UNDP.

AUDIT OPINION

To the Assembly
International Civil Aviation Organization

I have examined the Statements of the Status of Funds of the International Civil Aviation Organization as Executing Agency of the United Nations Development Programme, Statements IX and X and relevant schedules, for the financial period ended 31 December 1992. My examination was made in accordance with generally accepted auditing standards, conforming with internationally recognized auditing guidelines and with the common auditing standards adopted by the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency, and accordingly included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

As a result of the examination, I am of the opinion that these Statements of the Status of Funds properly reflect the recorded financial transactions for the financial period, which transactions were, in all significant respects, in accordance with the Financial Regulations and Rules of the United Nations Development Programme and legislative authority, and present fairly the financial position of the Funds as at 31 December 1992, in conformity with the accounting policies described in Note 2 to the Statements applied on a basis consistent with that of the preceding financial period.

Additional information and comments on the statements and this opinion are included in the observations in my long form report.

L. Denis Desautels, FCA
(Auditor General of Canada)
External Auditor

Montreal, Canada
14 May 1993

INTERNATIONAL CIVIL AVIATION ORGANIZATION
UNITED NATIONS DEVELOPMENT PROGRAMME
STATEMENT OF THE STATUS OF FUNDS
AS AT 31 DECEMBER 1992
(in United States dollars)

	1992		1991	
ERATING FUND				
Balance at beginning of year		(3 769 848)		(8 043 218)
Add:				
Cash drawings from UNDP	21 220 000		27 209 485	
Inter-office vouchers, on hand	11 583 128		13 348 782	
Inter-office vouchers, in transit	3 706 027			
Other charges/credits (net)	(1 726 370)		(243 793)	
Miscellaneous income and exchange adjustments	(269 071)		(217 868)	
Miscellaneous items charged/refunded to UNDP	(41 690)	34 472 224	2 920	40 099 526
		30 702 176		32 056 308
Deduct:				
Expenditure during the year (Schedules H,I,J)				
For projects				
Disbursements	25 920 010		27 662 025	
Unliquidated obligations	3 529 829		4 287 306	
For programme support costs	3 315 869	32 765 708	4 043 190	35 992 521
Proceeds from sale of equipment		(30 471)		
		(2 033 061)		(3 936 213)
Add:				
Adjustment to prior year's expenditure				147 226
Adjustment to prior year's programme support costs				19 139
Balance at end of year		(2 033 061)		(3 769 848)
PRESENTED BY:				
Cash in banks, on hand and in transit		1 311 507		2 101 547
Due from other Funds:				
AOSC Fund	407 000		138 867	
ICAO General Fund	608 442		147 218	
ICAO Aviation Security Trust Fund	31 424		31 541	
ICAO Other Funds	36 851		21 716	
Governments' Trust Fund accounts	777 830		560 412	
UNDP Administered Trust Funds	12 950	1 874 497	56 580	956 334
Accounts receivable and sundry debit balances		1 544 557		1 750 661
		4 730 561		4 808 542
Less:				
Due to other Funds:				
Governments' Trust Fund accounts			244 009	
UNDP Administered Trust Funds			1 367	245 376
Accounts payable and sundry credits balances		3 233 793		4 045 708
Unliquidated obligations – current year		3 529 829		4 287 306
		6 763 622		6 578 390
		(2 033 061)		(3 769 848)

Certified correct:

O. Tayar
Chief, Finance Branch

Approved:

Philippe Rochat
Secretary General

/...

Price Waterhouse

REPORT OF INDEPENDENT ACCOUNTANTS

April 30, 1993

To the International Bank for Reconstruction
and Development, acting for and on behalf of the
International Finance Corporation as Executing
Agency for Certain Projects of the United Nations
Development Programme

We have audited the accompanying statements of Status of Funds (Statement I), Expenditures by Source of Funds (Statement II) and Expenditures by Country (Statement III) for certain projects of the United Nations Development Programme, for which the International Bank for Reconstruction and Development (the Bank) acts for and on behalf of the International Finance Corporation (the IFC) as Executing Agency, for the year ended December 31, 1992. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, these financial statements were prepared in accordance with the format and accounting practices prescribed by the United Nations Development Programme and are not intended to be a presentation in conformity with generally accepted accounting principles.

April 30, 1993
To the International Bank for Reconstruction
and Development
Page 2

In our opinion, the financial statements referred to above present fairly, in all material respects, the status of funds and expenditures of certain projects of the United Nations Development Programme, as executed by the International Finance Corporation, as of December 31, 1992 and for the year then ended, on the basis of accounting described in Note 2.

This report is intended solely for the Bank, the IFC, and the United Nations Development Programme and other interested parties and should not be used for any other purpose.

Price Waterhouse
(International firm)

STATEMENT I

UNITED NATIONS DEVELOPMENT PROGRAMME
EXECUTING AGENCY: INTERNATIONAL FINANCE CORPORATION
STATUS OF FUNDS
AS AT DECEMBER 31, 1992
(Expressed in U.S. dollars)

Operating Fund

Balance at January 1, 1992		$ 6,206,914
Add: Cash Drawings from UNDP	$ 3,500,000	
Inter-Office voucher charges	(6,666)	
Other charges/credits (net)	51,967	
Miscellaneous income and exchange adjustments	438,210	3,983,511
Deduct: Current year expenditures:		
For projects		
Disbursements	8,649,863	
Unliquidated obligations	640,799	
For programme support costs	1,008,982	
For AOS	3,790	10,303,434
Balance at December 31, 1992		$ (113,009)
Represented by:		
Accounts receivable		$ 2,773,576
Deduct: 1992 Unliquidated obligations	$ 640,799	
Accounts payable	2,245,786	2,886,585
		$ (113,009)

The accompanying notes are an integral part of these financial statements

Coopers
&Lybrand

certified public accountants

REPORT OF INDEPENDENT ACCOUNTANTS

To the International Monetary Fund
and Board of Auditors United Nations

We have audited the accompanying of Status of Operating Funds (Report 1), Aggregate Expenditure Report by Source of Funds (Report 2A), Aggregate Expenditure Report by Country (Report 3), and Aggregate Expenditure Report by Component (Report 4) (collectively, reports) of the International Monetary Fund (Fund) as executing agency, associated agent and cooperating agent for certain United Nations Development Programme projects as of December 31, 1992 and for the year then ended. These reports are the responsibility of the Fund's management. Our responsibility is to express an opinion on these reports based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the reports are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the reports. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall reports presentation. We believe our audit provides a reasonable basis for our opinion.

The accompanying reports were prepared for the purpose of reporting transactions of the International Monetary Fund as executing agency, associated agent and cooperating agent of the United Nations Development Programme. The reports have been prepared in accordance with the format and accounting practices prescribed by the United Nations Development Programme, as described in Note A, and are not intended to be a presentation in conformity with generally accepted accounting principles.

In our opinion, the reports referred to above present fairly, in all material respects, the status of funds of the International Monetary Fund as executing agency, associated agent and cooperating agent for certain United Nations Development Programme projects as of December 31, 1992 and expenditures for the year then ended, on the basis of accounting described in Note A.

This report is intended solely for the International Monetary Fund for filing with the United Nations Development Programme and other interested parties and should not be used for any other purpose.

Coopers & Lybrand

March 30, 1993
Washington, D.C.

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Report No. 1

International Monetary Fund
United Nations Development Programme
Status of Operating Funds
as at December 31, 1992
(in US dollars)

Balance at January 1, 1992			$ (614,962.62)
Add:			
Cash drawings from UNDP	$	6,282,000.00	
IOV's		895,123.71	
Other charges/credits		(154,742.20)	
Expenditure by Associated Agency (Report 25)		50,540.60	7,072,922.11
			$ 6,457,959.49
Less:			
Expenditure during 1992 as Agent:			
For projects:			
Disbursements..... (Report 2A)	$	5,199,344.69	
Unliquidated obligations.. (Report 2A)		0.00	
For program support costs.... (Report 2A)		674,536.00	(5,873,880.69)
Expenditure during 1992 as Associated Agent:			
Project Disbursements.....(Report 24)	$	817,070.00	
Program Support costs.....(Report 24)		106,217.00	(923,287.00)
Expenditure during 1992 as Cooperating Agent:			
Project Disbursements .....(Report 26)	$	168,621.00	
Program Support costs.....(Report 26)		21,921.00	(190,542.00)
Balance at December 31, 1992			$ (529,750.20)
Represented by:			
Accounts Payable (Report 10)			$ (259,354.69)
Due the IMF			(270,395.51)
Balance at December 31, 1992			$ (529,750.20)

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UNITED NATIONS DEVELOPMENT PROGRAMME

INTERNATIONAL MARITIME ORGANIZATION

1. Introduction

1.1. The transactions of the International Maritime Organization as an executing agency of the United Nations Development Programme, during the year ended 31 December 1992, are recorded in the annexed statement I and the accompanying schedules in the form prescribed by UNDP.

2. Status of Funds; statement I

2.1. Cash drawn from UNDP during the year amounted to $3,230,789 whilst payments made on behalf of IMO directly from UNDP funds for programme expenditure and charged to IMO by inter-office vouchers, totalled $1,502,287. Net miscellaneous charges were $123,379.

2.2. Expenditure on project activities during 1992 amounted to $3,555,719 (compared with $5,522,388 in 1991) made up of disbursements of $2,897,022 plus unliquidated obligations of $658,697. Programme support costs of $780,176 brought the total expenditure to $4,335,895.

2.3. The support cost of $780,176 charged in the account to meet the cost of IMO's technical and administrative support of the programme, consists of 13% of the $3,555,719 project expenditure less refund of $9,464, plus an amount of $319,163 claimed under the arrangement for support cost flexibility for small agencies approved by the UNDP Governing Council.

2.4. Balance of the Operating Fund as at 31 December 1992 amounted to $371,554 and was represented by:

Cash at banks		$564,360
Accounts receivable		$612,980
		$1,177,340
Less: Accounts payable	$147,089	
1992 unliquidated obligations	$658,697	
		$805,786
Balance as at 31 December 1992		$371,554

W.A. O'NEIL
Secretary-General

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INTERNATIONAL MARITIME ORGANIZATION AS EXECUTING AGENCY FOR THE UNITED NATIONS DEVELOPMENT PROGRAMME FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1992

OPINION OF THE EXTERNAL AUDITOR

To : The Assembly of the International Maritime Organization

I have examined the appended financial statements, comprising the Status of Funds Statement (Statement 1), Reports 2A to 4, and supporting Notes of the International Maritime Organization as Executing Agency for the United Nations Development Programme for the year ended 31 December 1992, in accordance with the Common Auditing Standards of the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency. My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

As a result of my examination, I am of the opinion that the financial statements present fairly the financial position as at 31 December 1992 and the results of the operations for the year then ended; that they were prepared in accordance with the Organization's stated accounting policies applied on a basis consisitent with the preceding financial period: and that the transactions were in accordance with the Financial Regulations and legislative authority.

I have no observations to make on these financial statements.

John Bourn 4th June 1993

Sir John Bourn
(Comptroller and Auditor General, United Kingdom)
External Auditor

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STATEMENT 1

Report No.1

UNITED NATIONS DEVELOPMENT PROGRAMME
International Maritime Organization

Status of Funds as at 31 December 1992

(expressed in US Dollars)

1991				1992
(457,609)	Balance as at 1 January 1992			97,752
5,548,040	Add: Cash drawings from UNDP	3,230,789		
1,879,499	Inter-office vouchers	1,502,287		
(213,697)	Other charges/credits (net)	(74,264)		
(10,509)	Miscellaneous income and exchange adjustments (net)	(32,505)		
(25,584)	Miscellaneous items refunded to UNDP (net)	(16,610)		
			4,609,697	
6,720,140				4,707,449
	Less: Project expenditure during 1992			
(4,739,651)	Disbursements (Report 2A)	2,897,022		
(782,737)	Unliquidated obligations (Report 2A)	658,697		
(1,100,000)	For programme support costs *	780,176		
			(4,335,895)	
97,752				371,554
	Represented by:			
373,774	Cash at banks, on hand and in transit			564,360
907,265	Accounts receivable			612,980
1,281,039				1,177,340
(400,550)	Less: Accounts payable	147,089		
(782,737)	1992 Unliquidated obligations (Report 2A)	658,697		
			(805,786)	
97,752				371,554

* This does not include AOS earned on projects approved under the new regime

for D. MUTHUMALA
Head, Finance and Budget Section

W.A. O'NEIL
Secretary-General

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Eidgenössische Finanzkontrolle
Contrôle fédéral des finances
Controllo federale delle finanze
Swiss Federal Audit Office
943.0.1.18/92

3003 Bern, 19 May 1993

INTERNATIONAL TELECOMMUNICATION UNION, GENEVA
ACCOUNTS FOR THE TECHNICAL COOPERATION PROJECTS OF THE UNITED NATIONS DEVELOPMENT PROGRAMME

Financial year 1992

Report by the External Auditor

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Terms of reference

1. In conformity with Resolution No. 35 of the Plenipotentiary Conference (Nice, 1989), the arrangements for auditing the accounts of the International Telecommunication Union (ITU) were renewed and I was appointed External Auditor by the Government of the Swiss Federation (Federal Council Decree of 16 February 1990).

2. Furthermore, under Article 51 of the ITU's Financial Regulations and Article XVII of the Financial Regulations and Rules of the United Nations Development Programme (UNDP), and in accordance with section 3 of Article XI of the Agreement signed on 19 June 1990 between the UNDP and the ITU, I instructed several qualified officials of the Swiss Federal Audit Office to carry out intermediate reviews during the period and, in April and May 1993, an audit of the accounts of Technical Cooperation projects, kept in United States dollars, as at 31 December 1992. The reviews were carried out at ITU headquarters in Geneva.

3. I wish to express my appreciation for the courtesy shown by all the officials of the ITU who were approached in supplying the information and documents needed for the performance of my task.

4. During the audit my colleagues had regular meetings with Mr. A. Tazi-Riffi, Chief of the ITU Finance Department. They also spoke with Mr. W. Richter, Chief of the Programme Support, Organization and Methods Department of the ITU Telecommunications Development Bureau (BDT).

Verifications and comments

General

5. The audit was carried out in keeping with standard auditing procedures, in conformity with both the additional terms of reference attached to the Financial Regulations of the ITU and the relevant UNDP rules. In so far as they were relevant to our work, the standard procedures used by the group of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency, were followed.

6. During the financial year, the Secretary-General recruited a part-time internal auditor, as I had suggested. This auditor's duties, which I have approved and which are set out in a document, are designed to improve internal auditing and to relieve the work of the external auditor.

7. Spot checks were made of the posting to account of movements relating to allocations for indicative planning figures (IPF), special programme resources (SPR), special measures for the least developed countries (LDCs) and government cash counterpart contributions (GCCC), expenditure and income during the financial year and cash funds. The accuracy of the items appearing in the financial statements at 31 December 1992 (Statement I, Schedules 1A and 2) was verified. The balances in the various accounts on the same date were checked against those appearing in the bank statements. The other main items, both assets and liabilities, were inspected and the financial statements were compared with the latest UNDP document (OFS 92-11) at 31 December 1992.

Allocations for IFP, SPR, LDCs and GCCC

8. For some IPF projects, the allocation is less than expenditure. In some cases the difference is due to adjustments, which should be taken into account in the mandatory annual revision and which will give rise to an additional allocation. ITU officials were asked to ensure that the extra allocations actually materialize.

9. In the case of some projects, on the other hand, expenditure exceeding the normal allocation has not yet been accepted by the UNDP. The projects concerned are RAF 85028 (excess expenditure of 159,502 dollars), RAS 86190 (excess expenditure of 19, 071 dollars) and RAS 89007 (excess expenditure of 94,893 dollars). The ITU was invited by my assistants to settle the matter with the UNDP.

10. Furthermore, the allocations for three projects, LDC CVI87013, MAU87024 and MLI87007, mentioned in my previous reports dated 13 May 1991 and 18 May 1992, have still not been allocated. Since expenditure already incurred is relatively substantial (225,972 dollars, 404,694 dollars and 477,999 dollars respectively), I believe the UNDP should attend to the matter.

11. Regarding project GCCC SOM86020, the difference between actual expenditure and the budgeted allocation, as indicated in my report dated 18 May 1992, amounts to 1,350 dollars. Here too the UNDP should give the necessary instructions.

Operating Fund statement

12. The statement of UNDP funds drawn up by the ITU at 31 December 1992 shows a balance of 2,012,490.48 dollars, whereas the amount given in the latest UNDP document (OFS 92-11 Final) is 2,099,055.48 dollars. The difference, amounting to 86,565 dollars, has been fully identified and will be corrected in 1993.

Sectoral support expenditure

13. The sectoral support expenditure statement in the ITU accounts at 31 December 1992 shows a credit balance of 76,499 dollars, including expenditure incurred during the financial year. As the latter has already been credited to the ITU in accordance with the new procedures introduced on 1 January 1992, my assistants have asked the ITU to ensure that the new balance held by the ITU at 31 December 1991 (147,906 dollars), plus the interest accrued in 1992 (4,186 dollars) is repaid to the UNDP in 1993.

14. Moreover, my assistants asked to see the reports of missions carried out in 1992, for which expenditure was charged to Sectoral support expenditure. As the reports were not available in time, they will be checked in due course.

Unliquidated obligations

15. Out of the total balance carried over from 1991 (1,323,023 dollars), a sum of 71,771.29 dollars, i.e. 5.4%, was credited to the various projects because the items making up this figure were not taken up by commitments that had fallen due.

16. Unliquidated obligations which appear on the statement as at 31 December 1992 stand at 1,334,355 dollars, equivalent to slightly less than 10% of the financial year's expenditure. To this sum, a further 17,660 dollars should be added for 1991, appearing under Accounts payable among balance sheet liabilities. The above amounts break down as follows:

	US $
- Unliquidated obligations "Experts"	129 057.–
- Unliquidated obligations "Consultants"	144 388.–
- Unliquidated obligations "Fellows"	45 167.–
- Unliquidated obligations "Local staff"	53 639.–
- Unliquidated obligations "Equipment"	962 104.–
	1 334 355.–
- Unliquidated obligations "Consultants" 1991	17 660.–
	1 352 015.–

17. In light of the checks carried out, I am able to confirm that the unliquidated obligations have been posted to account in accordance with the Instructions of the Director of the UNDP Finance Division (Interoffice Memorandum of 8 December 1992). As regards equipment, commitments were entered in cases where credits were included in the current budget and a firm order placed or a contract signed by 31 December 1992, but where the regular procedure had not been followed, either because the goods concerned had not yet been delivered or the service provided, or because the executing agency had not yet been billed.

Support costs

18. Support costs posted to account by the ITU were determined on the basis of 1992 project expenditure, including unliquidated obligations. The rate applied was 13%, to which a further 5.57% were added to allow the degree of flexibility required for a turnover of between 13 and 14 million dollars. Due account was also taken in the support costs of the lower percentages agreed for three of the projects.

19. The checks made on the conversion into Swiss francs and the transfer of sums due to the executing agency call for no special comment.

Cash resources

20. For the period January-September 1992, payments from UNDP funds in dollars and other currencies required for the implementation of projects were checked. The transfers had been accurately recorded in the Union's cash accounts.

Experts and consultants

21. By means of spot checks, my assistants confirmed that the salaries, post adjustments, family allowances, allowances for mobility and/or difficult living and working conditions and the various deductions had been calculated on the basis of current scales, in accordance with the contracts held by the staff concerned and in conformity with the rules of implementation applicable to staff recruited under technical assistance projects.

Equipment and supplies

22. For some projects, the expenditure posted to account for the purchase of equipment and supplies was checked, with particular regard to the observance of purchasing procedures, proof of delivery, checking of invoices and recording in inventories. Where inventories were concerned, my assistants found delays and inaccuracies in the capture of data. I was assured that ways were being sought of making good these shortcomings.

Project implementation

23. In the course of an interim review, the budgetary and financial development of certain projects was examined on the basis of documents available at ITU headquarters. The extent to which objectives had been achieved was to have been appreciated after analysis of the documents referred to in UNDP regulations (in particular progress, tripartite review, evaluation and final reports).

24. With the introduction of the ITU regional offices and the decentralization of staff in charge, amongst other tasks, of implementing the UNDP's technical cooperation projects, the ITU was not able to collect all the necessary documentation in time. The work begun in autumn 1992 will be continued this year and reported in the external audit of the 1993 accounts.

25. In order to facilitate control of the implementation of technical cooperation projects, I recommended that the ITU should issue guidelines on how project files should be managed including an (initial project document, successive budget revisions, progress reports, tripartite review reports, evaluation reports, final report, equipment transfer authorization, etc., as well as a file containing all the relevant correspondence). Moreover, a system should be introduced for checking observance of report deadlines specified in project documents.

Comment by the Secretary-General: "Owing to the cutback in human resources at Union headquarters and the introduction of regional offices with decentralized management of technical cooperation projects, information concerning projects is no longer centralized at headquarters. In future, a delay of at least one month will be required to gather all the available information requested. The ITU has taken note of the External Auditor's recommendation."

Conclusions

46. As a result of the operations carried out, I am able to sign the audit certificate appearing at the end of the following documents (Statement I):

- Statement of UNDP funds (Annexes 1 and 2);
- Statement of Sector Support Funds 8 INT78020.

F. Faessler

Deputy Director
SWISS FEDERAL AUDIT OFFICE

(External Auditor)

Annexes:

1-2 Statement I
- Status of Funds as at 31 December 1991

3. Report 2A

4-7 Report 3

STATEMENT I

UNITED NATIONS DEVELOPMENT PROGRAMME
(International Telecommunication Union)

Status of funds as at 31 December 1992
(in US dollars)

Operating fund			
		$	**$**
Balance at 1 January 1992 (ITU Audit Report)			-757'178.33
Add:	Credit UNDP - OPS91-0436		-567.00
	Adjustment UNDP at 31.12.1991		-2'680.00
	Balance as per OFS91/12		-760'425.33
Add:	Cash drawings from UNDP	7'309'057.07	
	IOVs	9'657'390.64	
	Other charges /credits net	-1'865'580.43	15'100'867.28
	Balance as per OFS92/10		14'340'441.95
To appear in OFS 92/11			
	Miscellaneous debits and exchange adjustments (net) (Schedule 7)	-4'523.02	
	Credits on completed projects (Schedule 7)	3'513.59	-1'009.43
			14'339'432.52
Deduct:	Expenditure during 1992 (Schedule 1A)		
	For projects:		
	Disbursements	12'461'726.00	
	Unliquidated obligations	1'334'355.00	
	For programme support costs	2'555'842.00	16'351'923.00
Balance at 31 December 1992			-2'012'490.48
Represented by:			
Add:			
Cash at banks, on hand and in transit			593'546.56
Accounts receivable (Schedule 8)			546'874.40
			1'140'420.96
Less:			
Accounts payable (Schedule 9)		1'818'556.44	
1992 unliquidated obligations (Schedule 9)		1'334'355.00	3'152'911.44
			-2'012'490.48

/...

STATEMENT I (continued)

Certified correct:

A. Tazi-Riffi
Chief of the Finance Department

Approved:

Pekka Tarjanne
Secretary-General

AUDIT CERTIFICATE

I have examined the above financial statement. My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

The financial statement presents fairly the financial position as at 31 December 1992 and the results of its operations for the period then ended.

F. Faessler

Deputy Director
SWISS FEDERAL AUDIT OFFICE

(External Auditor)

Date: 10 March 1993

Swiss Federal Audit Office
942.0.1.16/92

3003 Berne, 28 April 1993
El

UNIVERSAL POSTAL UNION, BERNE

ACCOUNTS OF TECHNICAL COOPERATION PROJECTS
OF THE UNITED NATIONS DEVELOPMENT PROGRAMME

Financial year 1992

External Auditor's report

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TERMS OF REFERENCE

1 In compliance with Universal Postal Union General Regulations, article 124, paragraph 10, the Government of the Swiss Confederation appointed me, in my capacity as Deputy Director of the Swiss Federal Audit Office, auditor of the UPU accounts (Federal Council decree of 16 February 1990).

2 In the light of the above and in accordance with article 37 of the Financial Regulations of the Universal Postal Union (UPU) and article XVII of the Financial Regulations and Rules of the United Nations Development Programme (UNDP) and in compliance with article XI, paragraph 3, of the Agreement concluded in 1990 between the UNDP and the UPU, I instructed several qualified officials of the Federal Audit Office to make interim audits during the financial year and, in April 1993, to examine the technical cooperation accounts kept in United States of America dollars, drawn up at 31 December 1992. The audit was performed at the seat of the International Bureau in Berne.

3 I should like to express my appreciation of the helpfulness shown by all the UPU International Bureau (IB) officials who were called on to provide the information and documents I required to carry out my task.

4 During our audit, my assistants had regular talks with Mr M Mazou, Assistant Director-General and Head of the Technical Cooperation Division, and Mr G Beney, Senior Counsellor and Head of the Finance Section. Mr J Ascandoni, Deputy Director-General, was informed of the problems encountered at the end of the final audit of the accounts.

AUDITS AND OBSERVATIONS

General

5 The work was conducted in conformity with the usual standards generally accepted in this field, in compliance with the additional terms of reference attached to the UPU Financial Regulations and in accordance with the rules issued by the UNDP. In so far as they applied to our audit, the auditing guidelines adopted by the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency were followed.

6 Our audits by sampling dealt with the accounting of the movements relating to the "Indicative Planning Figures (IPF)" allocations, expenditure and proceeds for the financial year and liquid funds. The correctness of the items appearing on the financial statements at 31 December 1992 (Statement I, Schedules 2A and 3) was checked, and the balances of the various cash accounts at that same date were compared with those given in the statements or certificates issued by the depositaries. All other assets and liabilities were examined. A comparison was made between the financial statements and the latest UNDP document (OFS 92-11) at 31 December 1992.

IPF allocations

7 A discrepancy of 20 000 dollars was noted between the allocations from the UNDP (Status of Allocation by Agency) and those recorded by the UPU IB; this discrepancy will be put right in 1993. As for changes which still have to be shown by the UNDP, my assistants established that they had been identified and that they were being followed closely.

Operating Fund

8 The Status of UNDP funds at 31 December 1992, drawn up by the UPU IB, shows a credit balance of 25 566.97 dollars whereas the amount on the latest UNDP document (OFS 92-11 Final)

totals 25 466.97 dollars. The difference of 100 dollars, which has been identified, will be put right in 1993.

9 Following the establishment, in 1991, of a discrepancy between the figures entered in the UPU IB accounts and those of the UNDP, investigations made it possible to perform the necessary adjustments and shed the light needed to remove the discrepancies. Only a residual sum of minimal importance was reversed to restore the complete agreement of the figures.

Sectoral support allocation

10 In the UPU accounts, the Status of Sectoral Support Allocations at 31 December 1992 shows a debit balance of 61 963.93 dollars, which is still to be credited by the UNDP. My assistants checked the account sent to the Bureau for Programme Policy and Evaluation on 12 March 1993; it corresponds to the entries made during the past financial year.

Outstanding obligations

11 Of the total brought forward from financial year 1991 (545 909 dollars), 94 947.31 dollars, or 17.4 percent, were credited to various projects because the components that made up that figure did not correspond to commitments that had fallen due.

12 Outstanding obligations on the Status of Funds at 31 December 1992 totalled 395 205 dollars, 17.6 percent of the expenditure during the financial year. To this amount should be added 9990 dollars relating to 1991. This latter item comes under Liabilities in the balance-sheet (Accounts payable). The above amounts break down as follows:

	US $
- Outstanding obligations "Experts"	143 506.00
- Outstanding obligations "Fellows"	120 216.00
- Outstanding obligations "Equipment and materials"	127 130.00
- Outstanding obligations "Miscellaneous"	4 353.00
	395 205.00
- Outstanding obligations 1991 "Equipment and materials"	9 990.00
	405 195.00

13 The audits carried out in this area allow me to confirm that these outstanding obligations were brought to account in compliance with the instructions of the Director of the UNDP Finance Division (Interoffice Memorandum of 8 December 1992). As regards equipment and materials, the outstanding obligations were recorded when the credits were in the budget of the financial year and a firm order had been placed before 31 December 1992. For local purchases, the authorization given by the UPU IB counts as an order.

Support costs

14 The support costs brought to account by the UPU IB were calculated on the basis of the expenditure on 1992 projects, including outstanding obligations. In accordance with the decision of the UNDP Governing Council, 28th session, and the agreement given by the UNDP Administrator, the rate applied was 22 percent.

Liquid assets

15 The transfers of UNDP funds in dollars and various other currencies needed to implement projects were examined for the period from January to July 1992. In addition, the movements of

liquid assets and their correct entry in the accounts were verified for April and May 1992. My assistants also satisfied themselves that the UPU IB liaison account had been regularly adjusted.

Experts and consultants

16 In this field, one of my assistants satisfied himself, by means of selective samples, that the salaries, post adjustments, dependents' allowances and the various deductions had been calculated on the basis of the current scales, in accordance with the contracts of the persons concerned and in application of the staff rules applicable to technical assistance project personnel.

17 The other allowances paid to the experts and consultants whose files were examined, such as rent allowances, mobility and/or hardship allowances as well as installation grants, were checked specifically as to entitlement, the way in which the amounts were determined and the appropriate putting to account.

Equipment and materials

18 For three projects, the expenditure put to account under the head of purchase of equipment and materials was verified. Apart from some purchases for which the UPU IB was unable to obtain three bids because of lack of interest on the part of the suppliers approached, the "Basic Rule and Procedures of the UPU" were applied.

CONCLUSIONS

19 Following the work done, I am in a position to issue the audit certificate appended to annex 2 to this report.

(signed) F FAESSLER

Deputy Director
SWISS FEDERAL AUDIT OFFICE

(External Auditor)

Annexes:

1 - 2 Statement I
- Status of Funds as at 31 December 1992

3 Schedule 2A

4 - 5 Schedule 3

STATEMENT I

UNITED NATIONS DEVELOPMENT PROGRAMME **Report No 1**

Status of Funds as at 31 December 1992
(in US dollars)

Operating Fund

Balance at 1 January 1992			(214 766.09)
Add:	Cash drawings from UNDP	810 000.00	
	IOVs	2 178 129.44	
	Other charges (net)	(31 714.92)	
	Miscellaneous income and exchange adjustments (net)	(19 035.42)	
	Miscellaneous items refunded to UNDP (net)	(2 676.91)	2 934 702.19
			2 719 936.10
Subtract:	Expenditure during 1992:		
	For projects		
	Disbursements (Report No 2A)	1 855 206.00	
	Unliquidated obligations (Report No 2A)	395 205.00	
	For programme support costs (Report No 2A)	495 092.07	2 745 503.07
Balance at 31 December 1992			(25 566.97)

Represented by:			
Cash at banks, on hand and in transit (Report No 9bis)			539 765.71
Accounts receivable (Report No 9)			261 552.17
			801 317.88
Less:	Accounts payable (Report No 10)	431 679.85	
	1992 unliquidated obligations (Report No 2A)	395 205.00	826 884.85
			(25 566.97)

CERTIFIED CORRECT

G. BENEY
Chief, Finance Section

APPROVED

A.C. BOTTO DE BARROS
Director-General

/...

Audit Certificate

I have examined the above financial statement. My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

The financial statement presents fairly the financial position as at 31 December 1992 and the results of its operations for the period then ended. For further details, I refer to my audit report of 28 April 1993.

Berne, 28 April 1993

F. Faessler

Deputy Director
Swiss Federal Audit Office

(External Auditor)

Swiss Federal Audit Office
944.0.1.9/92

3003 Berne, 19 April 1993
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WORLD INTELLECTUAL PROPERTY ORGANIZATION, GENEVA

TECHNICAL COOPERATION PROJECT ACCOUNTS OF THE
UNITED NATIONS DEVELOPMENT PROGRAMME

Financial year 1992

Report of the External Auditor

MANDATE

1. In accordance with the agreements concluded between the World Intellectual Property Organization (WIPO) and the Government of the Swiss Confederation on the external audit of accounts, and pursuant to article XVII of the United Nations Development Programme (UNDP) Financial Regulations and Rules, and to article XI, paragraph 3, of the Agreement signed in 1978 by UNDP and WIPO, I have, in my capacity as External Auditor, examined the technical cooperation project accounts, stated in United States dollars, for the year ended 31 December 1992.

2. In the course of my work, which was carried out at the headquarters of the International Bureau of WIPO in Geneva, I was assisted by several qualified officials of the Swiss Federal Audit Office.

3. I wish to express my gratitude for the courteous way in which the information and documents necessary for the performance of my assignment were made available by all the staff members of the International Bureau of WIPO called upon for this purpose.

4. During the audit, the findings and comments were routinely discussed with Mr. T. A. J. Keefer, Director of the Budget and Finance Division of WIPO, Mr. P. Favatier, Head of the Finance Section, and Mr. M. Pautasso, Principal Officer, Development Cooperation Programme Support Unit.

AUDIT AND FINDINGS

General remarks

5. The audit was carried out in accordance with generally accepted accounting principles, the terms of reference annexed to the WIPO Financial Regulations and the UNDP Rules. The audit guidelines adopted by the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency were followed in so far as they were relevant to our audit.

6. Audit testing was performed in order to ascertain how changes in expenditure and income for the financial year, and in cash items, were reflected in the accounts. The accuracy of the entries in the financial statements, as at 31 December 1992 (Statement I, Reports 2A and 3) was checked. The cash-account balance as at the same date was checked against the bank statement. The other main entries under assets and liabilities were audited.

Reconciliation with the last UNDP Operating Fund Statement (OFS)

7. The last UNDP statement of accounts (OFS 92-11) as at 31 December 1992, and the accounts kept by the WIPO International Bureau were reconciled. Allowance was made for the fact that line 80 "Project expenditures" of the previous OFS incorrectly recorded the sum of $143,841.70 for reimbursement of sectoral support costs (Report No. 26), and for the fact that $3,906.17 under the heading of "Miscellaneous income and exchange adjustments" and $9,854.00 under the heading of "Miscellaneous items refunded/charged to UNDP" (Report No. 8) had been entered by the WIPO International Bureau on line 29, "Other charges". By fax of 29 March 1993, UNDP stated that it concurred with the submission of the WIPO International Bureau. Furthermore, a difference of $.17, due to rounding will be credited by UNDP to the WIPO International Bureau on OFS 93-01.

Liquid assets

8. Cash movements and the accurate accounting thereof were analysed and audited for a two-month period. My colleagues also verified that the clearing account of the International Bureau of WIPO was adjusted monthly.

Sectoral support allocation

9. The 1992 budgeted allocation of $145,000 was used to finance the activities of the interregional sectoral consultant, which are described in the two semi-annual reports for 1992 submitted by the WIPO International Bureau to the UNDP Administrator. The expenses recorded under this heading, totalling $143,841.70, break down into salaries, in the amount of $129,552.71, and mission costs, in the amount of $14,288.99. The reasons for the relatively low level of these figures are as follows:

10. First, the consultant was able to reduce travel costs by implementing a number of tasks directly from WIPO International Bureau headquarters by telephone and letter. This applied in particular to the preparation of project documents, provisional drafts drawn up at the national level, which were then forwarded to the WIPO International Bureau to be analysed and finalized, thus permitting the consultant to work directly from headquarters without the need to visit national authorities.

11. Secondly, since the consultant's activities were closely linked to project development, some of his travel was charged to the projects in question. For example, the cost of a mission to the Arab countries was charged to project RAB/88/002.

12. Other missions were postponed, cancelled, or not approved.

13. Lastly, some WIPO International Bureau staff members made use of travel on official business to carry out sectoral support missions.

Unliquidated obligations

14. Out of the total amount brought forward from the 1991 financial year ($319,746.57), $11,044.15, or 3.45 per cent, was credited to the various project accounts previously debited, with obligations slightly exceeding expenditure. An amount of $19,383.58 ($8,257.03 from 1990 and $11,126.55 from 1991) was carried forward under the heading of accounts payable. This represents the total unliquidated obligations for the year under review.

15. The unliquidated obligations shown in Statement I (Report No. 1), namely $438,067, were entered in accordance with the instructions of the Director of the Division of Finance of UNDP (inter-office memorandum of 8 December 1992). With specific reference to equipment, unliquidated obligations were recorded when an order had been placed before 31 December 1992 and the corresponding appropriation entered in the budget for the 1992 financial year. For local procurement, the executing agency's purchase authorization was regarded as equivalent to a purchase order.

Support costs

16. The support costs recorded in the accounts for 1992 by the International Bureau of WIPO were calculated, as in previous years, on the basis of the figures for expenditure and unliquidated obligations in respect of indicative planning figure (IPF) and government cash counterpart contributions (GCCC) projects at a global rate of 22 per cent, in accordance with the decision adopted by the UNDP Governing Council at its twenty-eighth session and with the agreement of the UNDP Administrator, and at a rate of 13 per cent in respect of trust funds.

Experts and consultants

17. Several missions carried out within the context of various projects were reviewed on the basis of audit samples. My colleagues audited the salaries and other benefits paid to experts and consultants, with particular regard to entitlement, to the method used in determining the amounts, and to the proper accounting thereof. The salaries were based on guidelines approved by the Director-General of WIPO and the benefits examined had been established within limits which seemed reasonable to me.

Equipment

18. In this regard, my colleagues ascertained that the purchasing procedures had been followed. They also determined that the equipment acquired during the 1992 financial year had been properly inventoried.

19. In 1992, for all projects administered by the International Bureau of WIPO, the budgeted total for equipment was $584,200. Actual purchases came to $480,999.60, or 82.33 per cent. Of this sum, $388,986 or 80.87 per cent, appears in the accounts at the close of the financial year as unliquidated obligations.

20. For the unused portion of the appropriation $103,200 in round figures, or 17.67 per cent, the following explanations were given.

21. In most cases, amounting to $83,000 in round figures, owing to the delayed approval either of the project or of revisions to the budget, suppliers could not be found in time and the projected equipment was therefore not ordered in 1992.

22. In another case, on account of the political situation in the country, the project was frozen and the projected activities could not be carried out, leaving an unexpended balance of approximately $8,000.

23. The remaining difference is attributable chiefly to fluctuations in prices and rates of exchange.

CONCLUSIONS

24. With the conclusion of the audit, I am in a position to issue the audit certification appended to the following documents:

- Status of UNDP funds (annex I)
- Status of UNDP trust funds (annex IV)

(Signed) F. FAESSLER
Deputy Director
FEDERAL AUDIT OFFICE OF
THE SWISS CONFEDERATION
(Auditor)

STATEMENT I

UNITED NATIONS DEVELOPMENT PROGRAMME
WIPO

Status of Funds as at 31 December 1992
(in US dollars)

Operating Fund	$	$	Comparative figures 1991 $
Balance at 1 January 1992		(520,193.64)	(477,155.33)
Add: Cash drawings from UNDP	610,843.00		
IOVs	1,170,759.81		
Other charges/credits (net)	(142,659.46)		
Miscellaneous income and exchange adjustments (net)(Report No. 8)	3,906.17		
Miscellaneous items refunded to UNDP (net) (Report No. 8)	9,854.00	1,652,703.52	2,951,654.02
Less: Expenditure during 1992 (Report No. 2A)			
For projects			
Disbursements	733,084.81		
Unliquidated obligations	438,067.00		
For programme support costs	253,317.98		
For AOS	2,167.55	(1,426,637.34)	(2,994,692.33)
Balance at 31 December 1992		(294,127.46)	(520,193.64)
Represented by:			
Cash at banks, on hand and in transit	29,637.59		
Accounts receivable (Report No. 9)	188,097.58	217,735.17	49,364.85
Less: Accounts payable (Report No. 10)	73,795.63		
1992 Unliquidated obligations (Report No. 2A)	438,067.00	(511,862.63)	(569,558.49)
		(294,127.46)	(520,193.64)

CERTIFIED CORRECT

Philippe Favatier
Head Finance Section

APPROVED

T.A.J. Keefer
Controller

AUDIT CERTIFICATE

/...

STATEMENT I (continued)

(UNDP)

Audit Certificate

I have examined the above financial statement. My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

The financial statement presents fairly the financial position as at 31 December 1992 and the results of its operations for the period then ended.

For further details, I refer to my audit report of 19 April 1993.

19 April 1993

F. Faessler

Deputy Director
SWISS FEDERAL AUDIT OFFICE

(External Auditor)

/...

Price Waterhouse

REPORT OF INDEPENDENT ACCOUNTANTS

April 30, 1993

To the International Bank for Reconstruction
and Development and the Board of Auditors
of the United Nations

We have audited the accompanying statements of Status of Funds (Statement I), Expenditures by Source of Funds (Statement II) and Expenditures by Country (Statement III) for certain United Nations Development Programme projects for which the International Bank for Reconstruction and Development (the Bank) acts as Executing Agency for the year ended December 31, 1992. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, these financial statements were prepared in accordance with the format and accounting practices prescribed by the United Nations Development Programme and are not intended to be a presentation in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the status of funds and expenditures of the International Bank for Reconstruction and Development as Executing Agency for certain United Nations Development Programme projects as of December 31, 1992 and for the year then ended, on the basis of accounting described in Note 2.

/...

This report is intended solely for the International Bank for Reconstruction and Development for filing with the United Nations Development Programme and other interested parties and should not be used for any other purpose.

Price Waterhouse
(International firm)

/...

Price Waterhouse

November 16, 1993

Ms. Diann D. Martin
Division Chief
Trust Fund Accounting Division
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433

In accordance with the terms set forth in our letter dated July 13, 1993, we have applied agreed-upon procedures with respect to certain United Nations Development Programme (UNDP) projects for the year ended December 31, 1992 for which the International Bank for Reconstruction and Development (IBRD) or the International Finance Corporation (IFC) (collectively referred to herein as the Bank) act as Executing Agent. For each project selected, we inquired of Bank management and reviewed project files, including a sample of project documents and related correspondence, for the purpose of commenting on whether, with respect to those procedures:

- Consultants were retained and equipment was procured in accordance with the World Bank's guidelines;
- Progress reports were submitted in accordance with the required time frame and in the proper format;
- Cumulative and 1992 expenditures were within the budgeted amounts; and
- The project has progressed as planned.

IBRD projects selected for review were:

MYA/86/012	Myanmar, Pre-Investment and Investment Assistance
PNG/86/008	Papua New Guinea, Strengthening National and Provincial Economic Management
RAS/89/010	Regional, Metropolitan Environmental Improvement Program
VIE/87/031	Vietnam, Mekong Delta Master Plan
VIE/90/007	Vietnam, Technical Assistance to the State Planning Committee

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November 16, 1993
Trust Fund Accounting Division
The World Bank
Page 2

IFC projects selected for review were:

RAF/89/030	Regional, Africa Training and Management Services
RAF/90/008	Regional, Africa Project Development Facility
RAS/88/030	Regional, Advisory Services on Foreign Direct Investment
RAS/92/032	Regional, Strengthening the Investment Environment
RLA/90/008	Regional, Caribbean Project Development Facility

In the course of performing the procedures summarized above, we noted no exceptions except as indicated below:

PNG/86/008 Papua New Guinea, Strengthening National and Provincial Economic Management

- No progress reports were submitted in 1992 although the project document states the progress reports should be filed on a semi-annual basis.

VIE/87/031 Vietnam, Mekong Delta Master Plan

- 1992 expenditures were greater than 1992 budgeted expenditures; however, cumulative expenditures were within the established project budget. A reallocation of budgets by year was performed in early 1993 which increased the 1992 budget to compensate for the over expenditure.

RAS/88/030 Regional, Advisory Services on Foreign Direct Investment

- 1992 expenditures were greater than 1992 budgeted expenditures; however, cumulative expenditures were within the established project budget. A reallocation of budgets by year was performed in early 1993 which increased the 1992 budget to compensate for the over expenditure.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the projects referred to above. Had we performed additional procedures other matters might have come to our attention that would have been reported to you. This report relates only to the projects specified above, in light of the procedures performed, and does not extend to any other projects or to the financial statements of IBRD or IFC, taken as a whole. This report is intended for management of the Bank and the United Nations Development Programme.

Price Waterhouse
(International firm)

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STATEMENT I

UNITED NATIONS DEVELOPMENT PROGRAMME
EXECUTING AGENCY: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
STATUS OF FUNDS
AS AT DECEMBER 31, 1992
(Expressed in U.S. dollars)

Operating Fund

Balance at January 1, 1992		$ (9,966,608)
Add: Cash drawings from UNDP	$ 71,175,000	
Inter-Office voucher charges	4,918,189	
Other charges/credits (net)	721,940	
Miscellaneous income and exchange adjustments	229,512	
Miscellaneous items charged to UNDP	2,239	77,046,880
		67,080,272
Deduct: Current year expenditures:		
For projects		
Disbursements	57,601,798	
Unliquidated obligations	7,106,238	
For programme support costs	6,389,158	
For AOS	125,384	
For additional support costs	25,000	71,247,578
Add: Adjustment to prior years' expenditure	13,431	
Adjustment to prior years' programme support costs	1,477	14,908
Balance at December 31, 1992		$ (4,152,398)

Represented by:		
Cash and investments	$ 2,279,632	
Accounts receivable	5,100,065	$ 7,379,697
Deduct:		
Accounts payable	4,425,857	
1992 Unliquidated obligations	7,106,238	11,532,095
		$ (4,152,398)

The accompanying notes are an integral part of these financial statements

UNITED NATIONS DEVELOPMENT PROGRAMME

REPORT OF THE EXTERNAL AUDITORS ON THE ACCOUNTS OF THE WORLD TOURISM ORGANIZATION AS AN EXECUTING AGENCY FOR THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP) FOR THE FINANCIAL YEAR 1992

1. We have carefully examined the financial statements and schedules relating to the financial year 1992, submitted to us by the World Tourism Organization (WTO) in its capacity as an executing agency for the funds allocated to it by the United Nations Development Programme (UNDP).

2. We have jointly and separately reviewed the accounting procedures and such texts of the accounting records and other supporting evidence as we considered necessary in the circumstances.

3. As a result of our examination, we are of the opinion that, from the accounting standpoint, the financial statements properly reflect the financial transactions for the year 1992, which were in accordance with the Financial Regulations and the budgetary and other applicable provisions, thus presenting fairly the financial position at 31 December 1992.

4. We are pleased to note that in 1992 accounts adjustments have duly been made in respect of some small amounts of income (as mentioned in our report on 1991 accounts) received by WTO as an executing agency for UNDP projects, which had appeared in error in both UNDP and WTO's accounts. No such entry has taken place in 1992 accounts.

5. However, in examining the WTO/UNDP accounts, we have observed that due to non receipt in time of the information regarding credits for the amounts of US$230.36 (OPS 92-019) and US$4,021.93 (OPS 92-0200) against the same Project Nº CAM/90/011, the credits could not be taken into the 1992 accounts.

   Similarly, three 1992 IOV's for the amounts of US$400.56 (ETH 538), 27.23 (KEN 581) and 183.62 (VIE 441) could not be debited against the Projects Nºs ETH/88/005, RAF/87/131 and VIE/89/003, respectively, before the closure of the accounts. These are to be adjusted in the 1993 accounts.

6. We have also observed that WTO has not yet received from the UNDP Headquarters the credit approval form for an amount of US$14,017.00 against project Nº GHA/89/004 executed by WTO as associated agency. WTO has, however, accounted properly for this expenditure in the 1992 accounts.

   In another case, the approval form for the authorized credit of US$175,000.00 (Sectoral Support Fund allocation for 1992) has not yet been received, and WTO closed the accounts having recorded this amount in the accounts of 1992.

   Therefore, we are of the opinion that in order to avoid year-end discrepancies between UNDP and WTO, and to facilitate the closure of the accounts, the credit approval forms should be sent as soon as the relevant credit requests are received by UNDP.

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7. We have noticed that a duplication of the 1991 credit of US$11,021.00 (AGY 91-0738) for the 1991 expenditure incurred as associated agency to UN under project ANL/85/001 was included in the credit approval form received for the 1992 expenditure (AGY 92-0443). The relevant debit has been requested from UNDP. This entry will be adjusted accordingly in 1993.

   Also a debit excess of US$1,173.10 was reported by UNDP in the field in IOV MLI 224 of June 1992 for US$54,744.53, issued to offset the duplication of credit given by IOV MLI 110 of March 1992 for US$53,571.43. The relevant credit has been requested from UNDP. This entry will be adjusted accordingly in 1993.

8. We have observed that WTO has developed to a large extent its overall computerization in 1992; however, the software for the UNDP/WTO accounting programme is still to be completed.

   For quicker management decision-making, we again strongly recommend the early completion of the computer programme, so that it may be put into operation as early as possible.

9. We wish to express our gratitude to the Secretary-General of the World Tourism Organization for the sincere co-operation we received from him, and to his staff, in particular to the Programme Support Division, for their diligent and cordial assistance throughout our assignment.

Madrid, 12 March 1993

A. Turrión Macías
(Spain)

Abduhu Mahmood Khan
(Bangladesh)

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Report N° 1

STATEMENT I

UNITED NATIONS DEVELOPMENT PROGRAMME
World Tourism Organization

Status of Funds as at 31 December 1992
(in US dollars)

Operating Fund

Balance at 1 January 1992			(349,822.29)
Add: Cash drawings from UNDP		2,730,000.00	
IOV's		1,061,542.56	
Other charges/credits (net)		(409,105.86)	
Miscellaneous income and exchange adjustments (net)		15,275.30	3,400,712.00
			3,050,889.71
Less: Expenditure during 1992			
For projects			
Disbursements (Report N°2A)		2,431,790.42	
Unliquidated Obligations (Report N°2A)		63,203.24	
For programme support costs (Report N°2A)		545,899.00	3,043,892.66
			6,997.05
Add: Adjustment to prior year's programme support costs (Report N°2B)		681.15	681.15
Balance at 31 December 1992			7,678.23
Represented by:			
Cash at banks			73,715.28
Accounts receivable (Report N°9)			26,181.19
			99,896.47
Less: Accounts payable (Report N°10)		29,015.00	
1992 unliquidated obligations (Report N°2A)		63,203.24	92,218.24
			7,678.23

CERTIFIED CORRECT

Eduardo [illegible]
Chief, Programme Support Division

A. Iturrión Macías
(Spain)

APPROVED

Antonio Enríquez Savignac
Secretary General

AUDIT CERTIFICATE

Abduhu Mahmood Khan
(Bangladesh)